GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2448
ANSWERED ON:18.03.2005
PRIORITY SECTOR CREDIT
Dome Dr. Ram Chandra

Will the Minister of FINANCE be pleased to state:

(a) whether the norm for maintaining the 40% share of the priority sector credit in total outstanding credit is mandatory for all the private, domestic and foreign banks; and

(b) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM):

(a) and (b) Reserve Bank of India has stipulated targets for banks in public and private sector for lending to priority sectors including agriculture, small scale sectors, weaker sections etc. Targets prescribed for various categories in priority sector are as under:

Priority Sector 40% of the net bank credit Agriculture 18% of the net bank credit Small scale industries No specified target Weaker sections 10% of the net bank credit of 25% of the priority sector advances

A target of 32 percent of the net bank credit has been stipulated for lending to the priority sector by foreign banks having offices in India.